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UNCLAS SECTION 01 OF 02 ROME 005937

SIPDIS

FROM U.S. MISSION IN ROME

AMEMBASSY ADDIS ABABA FOR AMBASSADOR BRAZEAL AND USAID
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ACTING DIRECTOR PARK
USDA/FAS NAIROBI FOR FRED KESSEL AND USAID REDSO
STATE FOR A/S PRM DEWEY, A/S IO HOLMES AND AF/E
USAID FOR AA/DCHA WINTER, D/DCHA/FFP LLANDIS
USDA/FAS FOR MCHAMBLISS, RTILSWORTH AND LREICH
NSC FOR JWDORKEN

E.O. 12958: N/A

TAGS: [EAID](#) [AORC](#) [PREF](#) [EAGR](#) [EU](#) [ER](#) [ET](#) [AORC](#) [PREF](#) [EAGR](#) [EU](#) [ER](#) [ET](#) [NL](#) [WFP](#) [UN](#) [NL](#) [EAID](#) [WFP](#) [UN](#)
SUBJECT: DUTCH QUESTIONS ON FOOD CRISIS IN THE HORN OF
AFRICA

REF: (A) THE HAGUE 3457

SUMMARY

1. USMISSION PROVIDES A RESPONSE TO QUESTIONS RAISED IN REF
A, RELATED TO THE LOCAL AVAILABILITY OF FOOD RESOURCES FOR
LOCAL/REGIONAL PURCHASE IN THE HORN OF AFRICA AND THE FOOD
AID PIPELINE FOR ETHIOPIA IN EARLY 2003. END SUMMARY.

QUESTION: WHAT IS THE AVAILABILITY OF FOOD FOR
LOCAL/REGIONAL PURCHASE FOR FOOD AID IN THE HORN OF AFRICA?

2. PRELIMINARY ESTIMATES BY THE FAO/WFP MISSION PRESENTLY
UNDERWAY SHOW A 25 PERCENT DECLINE IN NATIONAL "MEHER" (MAIN
GROWING SEASON) CEREAL AND PULSE PRODUCTION FROM LAST YEAR
TO THIS YEAR IN ETHIOPIA, RESULTING IN AN ESTIMATED TOTAL
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CEREAL AND PULSE PRODUCTION OF 8.95 MILLION MT, A 21 PERCENT
DECLINE COMPARED WITH AVERAGE PRODUCTION. BASED ON THESE
ESTIMATES AND AFTER MAKING FURTHER ASSUMPTIONS ABOUT
BEGINNING AND ENDING STOCKS, 2003 "BELG" (MINOR GROWING
SEASON) PRODUCTION, SEED REQUIREMENTS AND POST-HARVEST
LOSSES, COMMERCIAL IMPORTS AND EXPORTS, IT IS PROBABLE THAT
THERE WILL BE A CEREALS AND PULSES DEFICIT OF ABOUT 2.5
MILLION MT IN ETHIOPIA IN 2003. GIVEN OVERALL DECLINE IN THE
PRODUCTION OF CEREALS IN THE COUNTRY, PRICES CAN BE EXPECTED
TO FURTHER INCREASE BEFORE THE BELG HARVEST IN JUNE.

3. IN ERITREA, THE FAO/WFP MISSION FORECASTS A CEREALS
HARVEST OF 74,000 MTS, NEARLY 60 PERCENT BELOW THE AVERAGE
OF THE LAST TEN YEARS. IN SUDAN, AS PER FAO, PROSPECTS FOR
2002 CROPS, NOW BEING HARVESTED, ARE GENERALLY UNFAVORABLE.

4. THE GENERAL CONCLUSION IS THAT, GIVEN THE SUBSTANTIAL
GRAIN DEFICIT ANTICIPATED IN 2003, MOST OF THE FOOD AID
REQUIRED WILL HAVE TO BE IMPORTED FROM EXTERNAL SOURCES.
DONORS ARE FREE TO EXPLORE POSSIBLE AVAILABILITY ELSEWHERE
IN THE GREATER HORN OF AFRICA. IT IS UNDERSTOOD THAT THE
WORLD FOOD PROGRAM AND THE EUROPEAN COMMISSION PLAN TO
CONDUCT IN THE NEAR FUTURE A LOCAL CEREAL AVAILABILITY STUDY
IN ETHIOPIA TO ASCERTAIN THE MAGNITUDE (IF ANY) OF CEREALS
FOOD AID AVAILABLE LOCALLY, TAKING INTO ACCOUNT THE
AVOIDANCE OF A SIGNIFICANT PRICE IMPACT ON LOCAL MARKETS.

QUESTION: WILL THE FOOD GAP BE SUFFICIENTLY COVERED BY
DONORS THROUGH JANUARY 2003?

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5. IN ETHIOPIA, OUT OF A TOTAL OF OVER 897,000 MT FOOD
ASSISTANCE REQUIRED IN 2002, ONLY ABOUT 581,000 MT, OR 65
PERCENT, WAS OBTAINED FROM DONORS, INCLUDING A CONTRIBUTION
OF 47,600 MT BY THE ETHIOPIAN GOVERNMENT (GFDRE). DONOR
RESPONSE TO THE 2002 APPEAL INCREASED FROM AN AVERAGE OF 46
PERCENT OF NEEDS DURING JANUARY-JUNE, TO 69 PERCENT DURING
JULY-DECEMBER. CARRYOVER PLEDGES FROM 2002 ALLOCATIONS ARE
ESTIMATED AT 70,000 MT. THIS IS ONLY SUFFICIENT TO COVER 64
PERCENT OF 109,000 MT REQUIRED IN JANUARY 2003.

6. WITH 2003 FIRST QUARTER NEEDS ESTIMATED AT NEARLY 411,000
MT (MONTHLY REQUIREMENTS EXCEEDING 100,000 MT THROUGH JULY),
FOOD ASSISTANCE IS URGENTLY REQUIRED TO PREVENT A BREAK IN
THE ETHIOPIA FOOD AID PIPELINE.

17. EQUALLY WORRISOME ARE THE CURRENTLY LOW STOCK LEVELS IN THE NATIONAL EMERGENCY FOOD SECURITY RESERVE (EFSR), ESTABLISHED IN THE 1980S IN ORDER TO BRIDGE THE PERIOD BETWEEN FOOD AID PLEDGES AND FOOD AID ARRIVALS. A FIRM DONOR PLEDGE OF FOOD AID GRAIN ALLOWS THE EFSR TO RELEASE A CORRESPONDING VOLUME FOR RAPID DISTRIBUTION BY THE GFDRE'S DISASTER PREVENTION AND PREPAREDNESS COMMISSION (DPPC) AND

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ACTION IO-00

INFO	LOG-00	NP-00	AF-00	AGRE-00	AID-00	AMAD-00	CIAE-00
	COME-00	CTME-00	INL-00	USNW-00	WHA-00	SRPP-00	EAP-00
	EB-00	EUR-00	E-00	UTED-00	VC-00	TEDE-00	INR-00
	LAB-01	VCE-00	DCP-01	NSAE-00	NSCE-00	OES-00	OIC-02
	OMB-01	IRM-00	STR-00	TEST-00	TRSE-00	USIE-00	EPAE-00
	ECA-00	PRM-00	DRL-02	SAS-00	/007W		

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P 111503Z DEC 02
FM AMEMBASSY ROME
TO AMEMBASSY THE HAGUE PRIORITY
SECSTATE WASHDC PRIORITY 7281
INFO AMEMBASSY ADDIS ABABA
AMEMBASSY ASMARA
AMEMBASSY NAIROBI
AMEMBASSY OTTAWA
EU MEMBER STATES COLLECTIVE
AMEMBASSY TOKYO
USEU BRUSSELS 3000
USMISSION GENEVA
USMISSION USUN NEW YORK

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NON-GOVERNMENTAL ORGANIZATIONS (NGOS); THIS "LOAN" FROM THE EFSR IS REPAID WHEN THE NEWLY PLEDGED FOOD AID ARRIVES IN COUNTRY.

18. AT PRESENT, THE EFSR HAS ONLY ABOUT 103,000 MT OUT OF A TOTAL RESERVE STOCK LEVEL OF 405,000 MT. UNLESS REPAYMENTS OF OUTSTANDING LOANS AND DELIVERY OF NEWLY PLEDGED FOOD AID ARE MADE AS EARLY AS POSSIBLE, FOOD AID DISTRIBUTIONS WILL BE DISRUPTED, RATONS WILL BE REDUCED OR DISTRIBUTIONS WILL BE HALTED ALTOGETHER.

COMMENT

19. THE CONSENSUS OF THE GFDRE AND THE UN IS THAT THERE SHOULD BE AN IMMEDIATE PLEDGING AND DISPATCH OF SIGNIFICANT QUANTITIES OF FOOD AID. LOCAL PURCHASES, WHILE IN THEORY AN ATTRACTIVE OPTION, WILL NOT INCREASE THE AMOUNT OF CEREALS IN COUNTRY - AND THE PRELIMINARY ASSESSMENTS INDICATE MAJOR
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CEREAL PRODUCTION SHORTFALLS IN ETHIOPIA, ERITREA AND SUDAN. IN SHORT, ACTIONS TAKEN NOW BY THE GFDRE AND DONOR AGENCIES WILL DETERMINE WHETHER THESE PRE-FAMINE CONDITIONS CAN BE MITIGATED OVER THE NEXT SEVERAL MONTHS -- OR DEVELOP INTO A FULL-FLEDGED FAMINE. HALL

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